



BRIEFING ON E-BIDDING MECHANISM FOR BIOGAS – LATEST UPDATES

Thursday, 25th October 2018

Auditorium, SEDA Malaysia

A transparent online open bidding platform for all



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Introduction

- 1) First briefing on e-bidding mechanism was held on 9th August 2018 (during Focus Group Discussion for Bioenergy).
- 2) An e-bidding system within the existing e-FiT system.
- 3) Objectives:
 - To optimize the utilization rate of the RE Fund;
 - To have an open and transparent online e-bidding system for biogas application.



The Methodology

- 1) SEDA to modify the existing e-FiT system into an e-bidding system for biogas quota application.
- 2) Bid submission window for e-bidding will be around **2 weeks; starting from Monday, 19th November 2018 (10.00 am) until Monday, 3rd December 2018 (12.00 pm).**
- 3) Bidders to create profile via the e-FiT system (List of documents in slides [no.13-15](#)).
- 4) Bidders to bid only for the **basic FiT rates**. SEDA to place maximum ceiling price (RM0.3184/kWh) for basic FiT rate. An applicant who intends to use gas engine technology with electrical efficiency of above 40% (G01) and locally manufactured or assembled gas engine technology (G02) may apply for the bonus tariff but the **bonus tariff will not be considered** in the **bid tariff evaluation** process. Each bidder by default will be granted the bonus for use of landfill, sewage gas or agricultural waste including animal waste as fuel source (G03).



Proposed Methodology

- 5) Bidders to submit all necessary documents (List of documents in slides [no.16-17](#)) via the e-bidding system.
- 6) Bidders to pay for processing fees (**RM1,000/application**), application fees (**RM10/kW**) and Performance Deposit (**RM100/MW/day x 180 days**) via online banking platform. The processing fee is non-refundable while the application fee and performance deposit are refundable in full if the bidders are unsuccessful.
- 7) The list of bidders will be extracted and announced on SEDA Malaysia's website immediately after bid closing.



Proposed Methodology (cont'd)

- 8) All supporting documents and information submitted by the shortlisted bidders into the e-bidding system will be verified to determine compliance with the present rules and regulations.
- 9) The bidders will be ranked according to the bid tariff and the number of shortlisted bidders is determined by the amount of funds available for the quota release.
- 10) If most of the bidders have the same bid tariff and SEDA is unable to finalized the list of shortlisted bidders, then a balloting exercise will be conducted. (Examples shown in slides *no. [18-23](#)*)
- 11) Any application found to be non-compliant will be disqualified. The unallocated quota will be reoffered in the next e-bidding exercise.

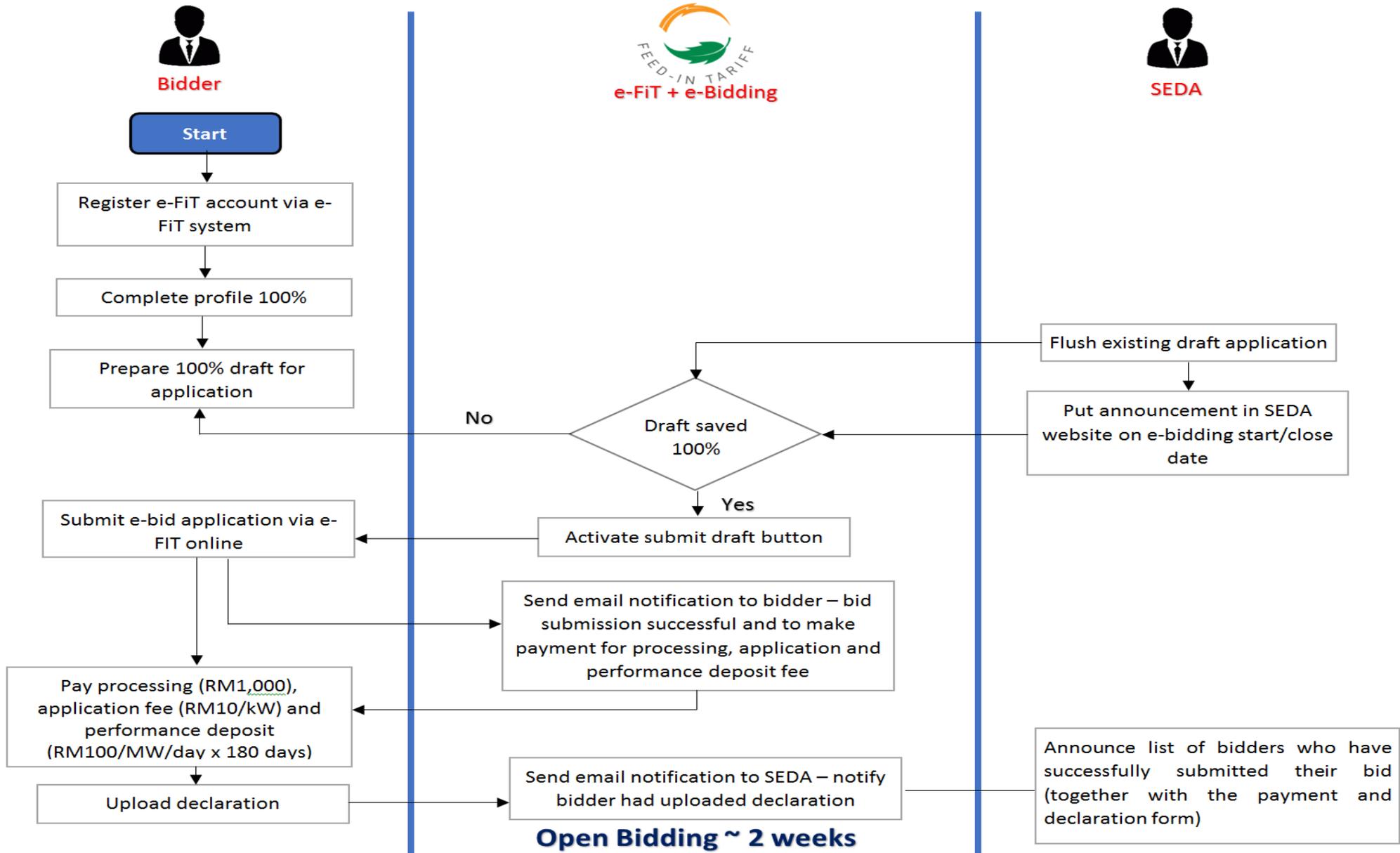


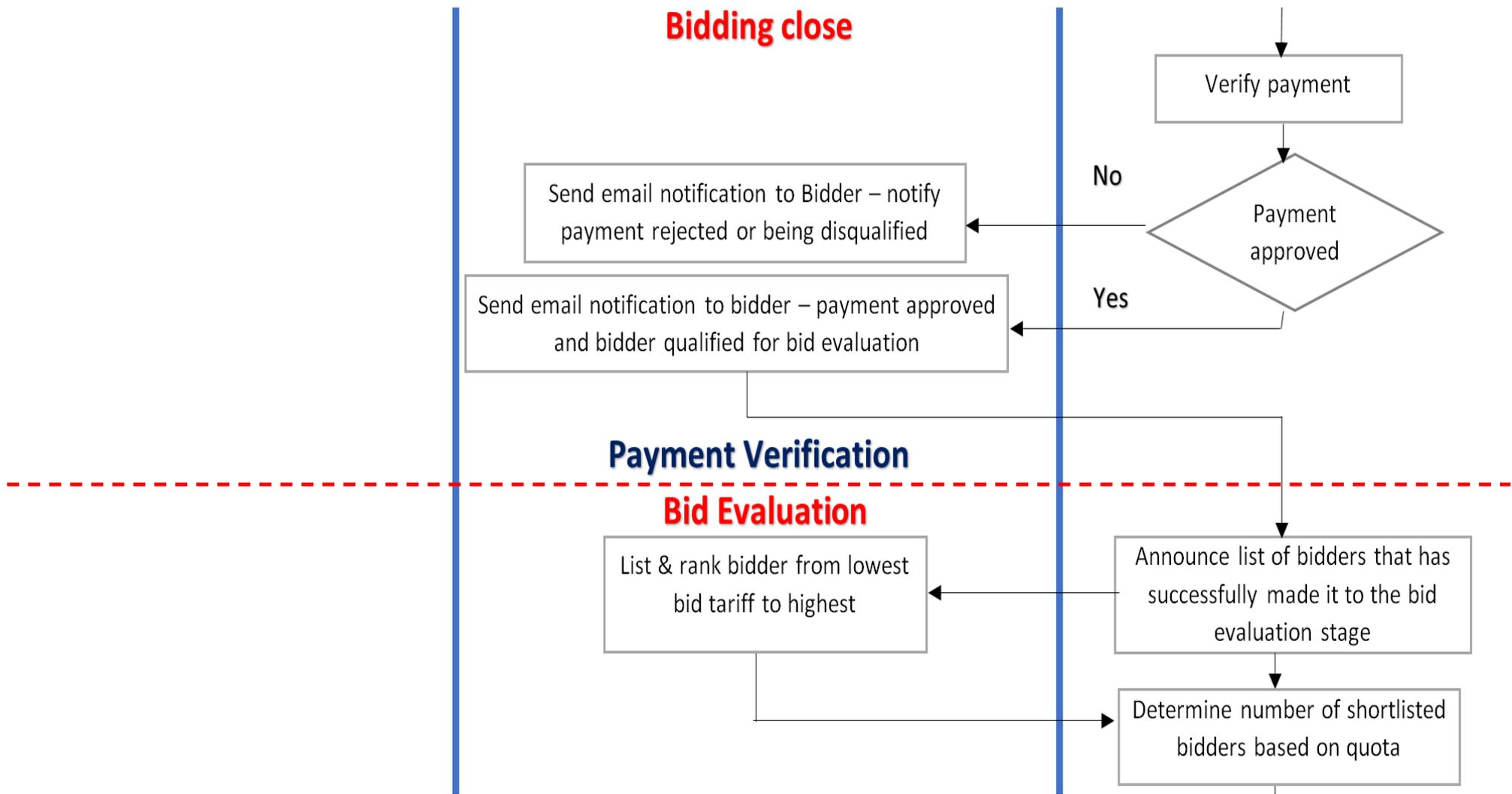
Proposed Methodology (cont'd)

- 12) SEDA Malaysia to prepare the Renewable Energy (Amendment of Schedule) 2018 to Gazette the FiT rate range for Biogas based on the bid tariff range of the shortlisted bidders.
- 13) The FiT rate range needs to be gazetted before the release of quota.
- 14) Once the Renewable Energy (Amendment of Schedule) 2018 has been gazetted, SEDA to notify selected bidders and to allocate quota.
- 15) SEDA to publish and announce the list of selected bidders on SEDA's webpage.
- 16) SEDA to print and issue certificates to selected bidders.



FLOW CHART: BIOGAS SUBMISSION FOR ONLINE E-BIDDING PLATFORM VIA e-FiT SYSTEM







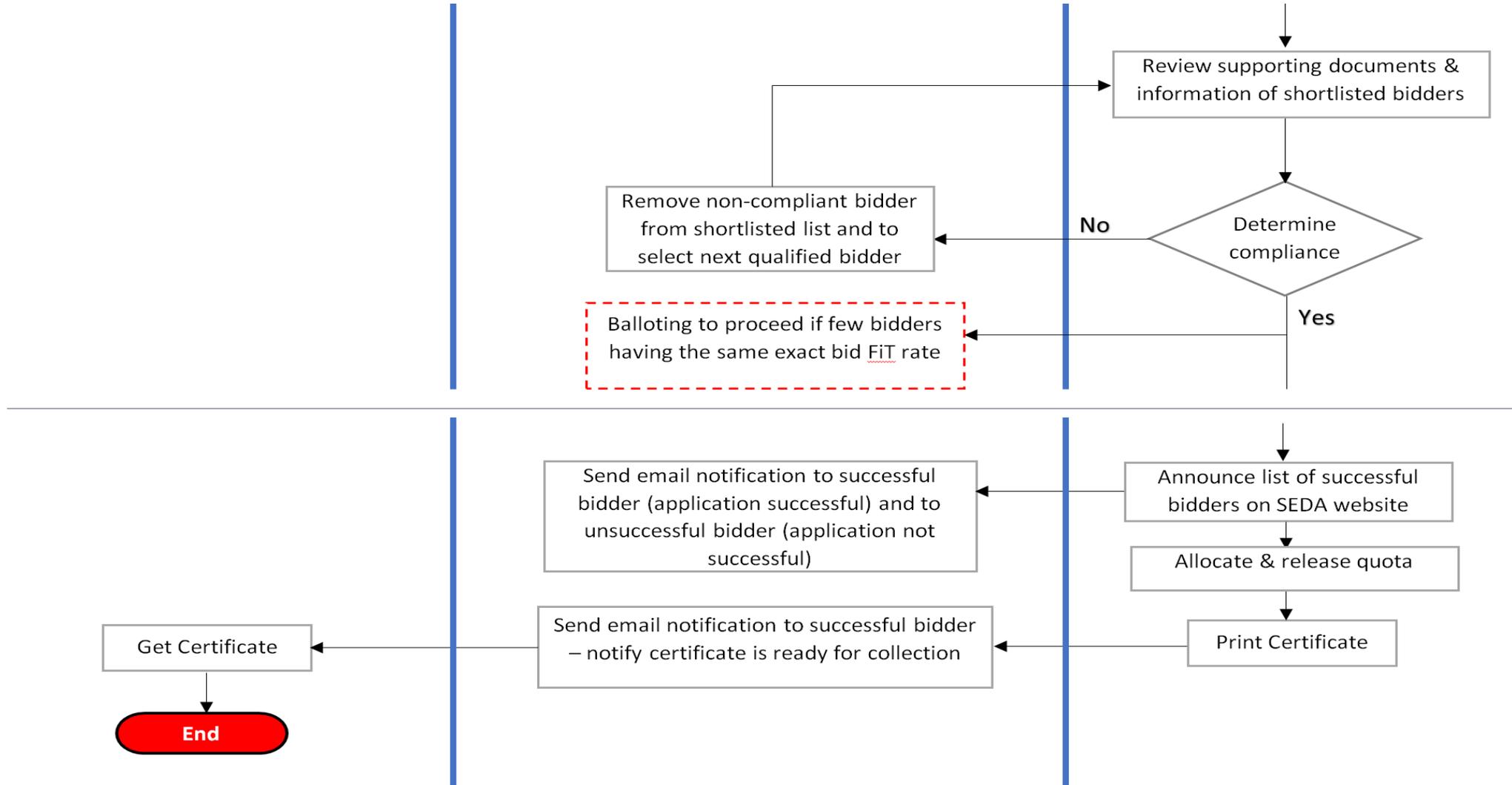
Bidder



e-FIT + e-Bidding



SEDA





Terms & Conditions

- 1) Limit to **5MW** maximum installed capacity per application.
- 2) 1 application per project site.
- 3) Bidders to bid based on **REPPA tenure of 21 years.**
- 4) Company to have a minimum paid-up capital:
 - a) RM250,000 for application up to 1MW;
 - b) RM500,000 for application above 1MW up to 2MW; and
 - c) RM1 million for application above 2MW

All bidders shall have a **minimum paid up capital of RM50,000 but shall increase to the amount stated above within 3 months from the issuance of fiah certificate.**

- 5) Must have an approval letter from the DL (Distribution licensee) together with the **PSS (power system study) report** stating the proposed export capacity.



Terms & Conditions (cont'd)

- 6) The payment procedure for processing fee, application fee and performance deposit:
 - a) Payment of processing fee, application fee and performance deposit **must be made before bid closing** date or the bidder will be disqualified;
 - b) For the unsuccessful bidders the processing fee is non refundable but the **application fee and the performance deposit will be refunded in full**;
 - c) For the successful bidders, the **processing fee and the application fee is non refundable** but the **performance deposit will be refunded in full upon successful completion** of the project within the agreed timeframe. **Failure to complete the project within the agreed timeframe will result in deduction of the performance deposit based on the late penalty. Revocation of the Feed-in Approval will also result in the forfeiture of the performance deposit.**

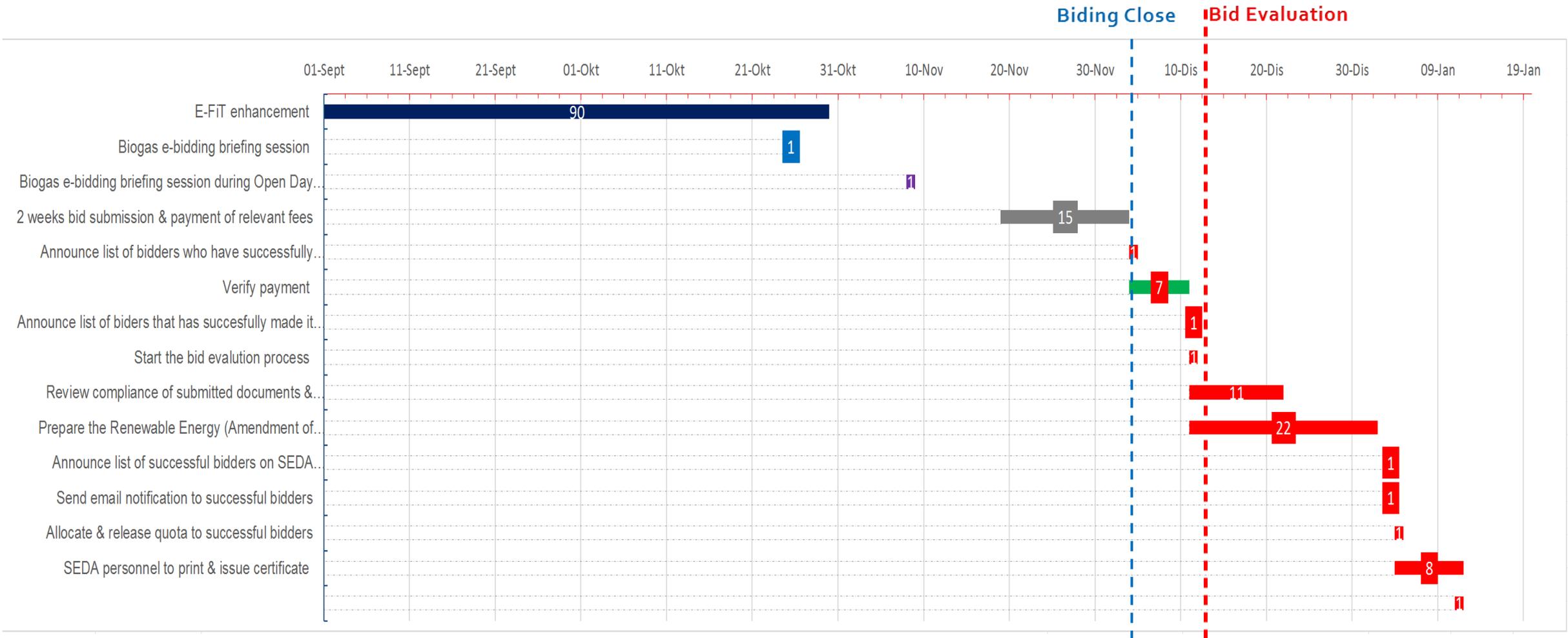


Gantt Chart-Timeframe for e-bidding Processes

Start Date	End date	Description	Duration (Days)
1-Aug	1-Nov	E-FiT enhancement	90
25-Oct	25-Oct	Biogas e-bidding briefing session	1
8-Nov	8-Nov	Biogas e-bidding briefing session during Open Day SEDA Malaysia	1
19-Nov	3-Dec	2 weeks bid submission & payment of relevant fees	15
4-Dec	4-Dec	Announce list of bidders who have successfully submitted their bid (together with the payment and declaration form)	1
4-Dec	10-Dec	Verify payment	7
11-Dec	11-Dec	Announce list of bidders that has successfully made it to the bid evaluation stage	1
11-Dec	11-Dec	Start the bid evaluation process	1
11-Dec	21-Dec	Review compliance of submitted documents & shortlisted the successful bidder	11
11-Dec	2-Jan	Prepare the Renewable Energy (Amendment of Schedule) 2018 to Gazette the FiT rate range for Biogas	22
3-Jan	3-Jan	Announce list of successful bidders on SEDA Malaysia website	1
3-Jan	3-Jan	Send email notification to successful bidders	1
4-Jan	4-Jan	Allocate & release quota to successful bidders	1
4-Jan	11-Jan	SEDA personnel to print & issue certificate	8
11-Jan	11-Jan	SEDA to notify successful bidders for certificate collection	1



Gantt Chart-Timeframe for e-bidding Processes





Thank You

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Documents Required for Profile Registration

- 1) **Annual Return (Section 68)** or the **latest SSM report**;
- 2) The **Memorandum and Articles of association** of the Applicant or **Form Section 14** (Companies Act 2016)
- 3) **Form 8** (Certificate of Incorporation of Public Company) or **Form 9** (Certificate of Incorporation of Private Company) in connection with the Applicant under the Companies Act 1965 or **Certificate - Section 17** (Companies Act 2016);
- 4) **All Forms 24** (Return of Allotment of Shares) lodged by the Applicant with the Registrar of Companies under the Companies Act 1965; or **all Forms Section 78** (Companies Act 2016);
- 5) The **latest Form 49** (Companies Act 1965) or **latest Form Section 58** (Companies Act 2016) lodged by the Applicant with the Registrar of Companies to notify on the change in the Register of Directors, Managers and Secretaries.



Documents Required for Profile Registration

- 6) The **extract of the company's board resolution** authorizing the authorised personnel to make this application on behalf of the Applicant and to execute and submit all documentation in relation thereto.
- 7) **A Share-holding/Ownership Structure Diagram**; detailing the shareholding percentages of each ultimate shareholders in the company.
- 8) (a) If company (private limited company) is a shareholder:
 - A **certified copy of the latest SSM report** of (company name) by the company secretary in accordance with the Companies Act 2016;
- b) If company (public limited company) is a shareholder:
 - A **certified copy of Form 29A** (Substantial Shareholder) of (company name with company registration no.) by the company secretary + a confirmation letter by the company secretary confirming the list of shareholders or **Form Section 141** in accordance with the Companies Act 2016



Documents Required for Profile Registration

(c) If individual is a shareholder:

- A **certified copy of the latest SSM report** of the company(s) where MY (ic no) is a shareholder; direct or indirect in accordance with the Companies Act 2016

Note : The SSM report cannot be dated more than 2 weeks from the date of upload into the e-FiT.



Documents Required for Submission: Application

- 1) **Written documentation** from a **qualified person** setting out the **detailed engineering design** (Including all relevant calculations to justify the installed capacity and claimed efficiencies) of the renewable energy installation utilizing the relevant fuel source including the relevant equipment for the combustion process of the fuel source, the calculation of the indicative quantity of fuel source required and the calculation of the indicative quantity of renewable energy to be generated from the installation.
- 2) (a) For biogas plant utilizing agriculture waste including animal waste as fuel source: A scanned soft copy of the **fuel supply agreement(s)/term sheet(s)** from the entity(ies) that will be providing the renewable resources.
(b) For plants utilizing landfill or sewage gas as fuel source: Either **written evidence** of the **applicant's ownership** of a landfill or sewage system, or a certified copy of a conditional or unconditional letter or agreement from or with the relevant **municipal council** or other entity agreeing to supply the applicant with the relevant fuel source.



Documents Required for Submission: Application (cont'd)

- 3) Documents proving the **Applicant's ownership** of the **site**, or other conditional or unconditional rights (e.g. Lease or leasing agreement) that the applicant has to utilize/lease the site for a minimum period equivalent to the effective period.
- 4) Land title showing proof of ownership by the applicant or lessor.
- 5) Detailed financial model showing how the bid tariff is derived. The information and data provided in the financial model shall be clearly explained and in consistence with the Bid Offer and Financial Model Assumptions. **(mandatory in excel)**.
- 6) The approval letter from the distribution licensees (DL) together with the **report** on the **power system study (PSS)** conducted in accordance with the Renewable Energy (Technical and Operational Requirements) Rules 2011 and amendments Rules 2014.
- 7) A **certificate of registration (with Practicing Certificate)** of each **Qualified Person** with the Board of Engineers Malaysia as a Professional Engineer.



Scenario 1: Varying Basic Bid Rate

Bidder	Basic Bid Rate (RM/kWh)	Bonus FiT Rates (RM/kWh)			Total Rate = Basic + Bonus (RM/kWh)
		G01: Use of Gas Engine Efficiency >40% (RM0.0199/kWh)	G02: Use of locally manufactured / assembled Gas Engine (0.0500/kWh)	G03: Use of landfill, sewage gas or agricultural waste (animal waste) as fuel source (0.0786/kWh)	
A	0.2000	√	√	√	0.3485
B	0.2111	√		√	0.3096
C	0.2120	√		√	0.3105
D	0.2212			√	0.2998
E	0.2300		√	√	0.3586
F	0.2342			√	0.3128
G	0.2450	√		√	0.3435
H	0.2500		√	√	0.3786
I	0.2555			√	0.3341
J	0.2600		√	√	0.3886
K	0.2684			√	0.3470



Scenario 1: Bid Ranking Process

Low
↓
High

Bidder	Basic Bid Rates (RM/kWh)	Total Rate = Basic + Bonus (RM/kWh)
A	0.2000	0.3485
B	0.2111	0.3096
C	0.2120	0.3105
D	0.2212	0.2998
E	0.2300	0.3586
F	0.2342	0.3128
G	0.2450	0.3435
H	0.2500	0.3786
I	0.2555	0.3341
J	0.2600	0.3886
K	0.2684	0.3470

The 7 lowest bidders will be automatically shortlisted based on the Basic Bid Rates and **NOT** the Total Rate.

Quota



Scenario 2: Same Basic Bid Rate

Bidder	Basic Bid Rate (RM/kWh)	Bonus FiT Rates (RM/kWh)			Total Rate = Basic + Bonus (RM/kWh)
		G01: Use of Gas Engine Efficiency >40% (RM0.0199/kWh)	G02: Use of locally manufactured / assembled Gas Engine (0.0500/kWh)	G03: Use of landfill, sewage gas or agricultural waste (animal waste) as fuel source (0.0786/kWh)	
A	0.2000	√	√	√	0.3485
B	0.2111	√		√	0.2897
C	0.2120	√		√	0.3105
D	0.2212			√	0.2998
E	0.2300		√	√	0.3586
F	0.2500			√	0.3286
G	0.2500	√		√	0.3485
H	0.2500		√	√	0.3786
I	0.2500			√	0.3286
J	0.2500		√	√	0.3786
K	0.2600			√	0.3386



Scenario 2: Bid Ranking Process

Low
↓
High

Bidder	Basic Bid Rates (RM/kWh)	Total Rate = Basic + Bonus (RM/kWh)
A	0.2000	0.3485
B	0.2111	0.3085
C	0.2120	0.3185
D	0.2212	0.3086
E	0.2300	0.3686
F	0.2500	0.3286
G	0.2500	0.3286
H	0.2500	0.3786
I	0.2500	0.3286
J	0.2500	0.3786
K	0.2600	0.3386

1) The 5 lowest bidders will be automatically shortlisted based on the Basic Bid Rates and **NOT** the Total Rate.

3) Only 2 out of 5 bidders will be shortlisted from the manual balloting process

2) These 5 bidders who offer the same Basic Bid Rates will be selected via a manual balloting process

Quota



Scenario 3: Same Basic Bid Rate

Bidder	Basic Bid Rate (RM/kWh)	Bonus FiT Rates (RM/kWh)			Total Rate = Basic + Bonus (RM/kWh)
		G01: Use of Gas Engine Efficiency >40% (RM0.0199/kWh)	G02: Use of locally manufactured / assembled Gas Engine (0.0500/kWh)	G03: Use of landfill, sewage gas or agricultural waste (animal waste) as fuel source (0.0786/kWh)	
A	0.2000	√	√	√	0.3485
B	0.2100	√		√	0.3085
C	0.2300	√		√	0.3285
D	0.2300			√	0.3086
E	0.2300		√	√	0.3586
F	0.2300			√	0.3086
G	0.2300	√		√	0.3286
H	0.2500		√	√	0.3786
I	0.2500			√	0.3286
J	0.2500		√	√	0.3786
K	0.2600			√	0.3386



Scenario 3: Bid Ranking Process

Low
↓
High

Bidder	Basic Bid Rates (RM/kWh)	Total Rate = Basic + Bonus (RM/kWh)
A	0.2000	0.3485
B	0.2100	0.3085
C	0.2300	0.3285
D	0.2300	0.3086
E	0.2300	0.3586
F	0.2300	0.3086
G	0.2300	0.3286
H	0.2500	0.3786
I	0.2500	0.3286
J	0.2500	0.3786
K	0.2600	0.3386

The 7 lowest bidders will be automatically shortlisted based on the Basic Bid Rates and **NOT** the Total Rate. Balloting process is not required.

Quota